

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☐ Action ☒ Information

MEAD Number:
201957

Resolution:
☐ Yes ☒ No

TITLE:

Small Business Program Office Update

PRESENTATION SUMMARY:

The Office of Internal Business Operations, Office of Procurement and Materials, Small Business Programs Office, will provide the Business Oversight Committee with an update on WMATA's Disadvantaged Business Enterprise (DBE) goal attainment for Federal Fiscal Year (FFY) 2017; an update on the DBE improvement plan; and an update on the DBE program staffing.

PURPOSE:

The Business Oversight Committee will be briefed regarding WMATA's DBE goal attainment effort for FFY 2017; updated on the DBE program improvement plan; and the staffing efforts to support the DBE program.

DESCRIPTION:

Key Highlights:

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- From April through September 2017, WMATA awarded \$199,026,331 in purchase orders with government clauses; and \$35,892,795 (18%) of that amount was awarded to DBEs. A total of \$62,442,167 was paid to all prime contractors, and \$12,449,032 (20%) of that amount was paid to DBE.
- WMATA has developed an automated prompt payment tracking tool to ensure that payments to prime and sub-contractors, including DBEs are tracked and reported in a timely and accurate manner.
- WMATA has begun to upload the prompt payment information into PeopleSoft to begin finalizing the the bi-annual FTA report.
- WMATA has initiated corrective actions to address all DBE program deficiencies identified by the OIG, FTA, and MARC.

The DBE program is currently supported by two full-time WMATA employees and four full-time contractors. In accordance with the organizational improvement plan, all necessary positions will be filled by March 31, 2018.

Background and History:

The Business Oversight Committee has requested monthly updates regarding WMATA's reorganization of the former DBE Compliance Office into the Small Business Programs Office. The Small Business Programs Office was recently realigned to the Office of Procurement and Materials which is under the Office of Internal Business Operations to enhance the efficiency and program coordination based on a number of substantiated deficiencies identified by management: WMATA's Office of Inspector General, the FTA's Triennial Review Team and WMATA Management Audits, Risks and Compliance (MARC) Office. WMATA developed a corrective action plan, which is currently underway, to improve oversight by developing new position descriptions consistent with the requirements of the program; standard operating procedures for all aspects of the program; performance goals and metrics to ensure greater internal control and overall performance.

Over the past two FFY's 2015 and 2016, WMATA did not meet its DBE participation goal of 22%. In FFY 2015, WMATA attained 17.4% of the goal and attained 11% in FFY 2016. For the time period October 2016 through March 2017 WMATA achieved 8% of the established goal. Management provided an overview of the actions being taken to address the goal shortfall, including an in-depth review of past reporting and data collection to investigate the accuracy of previous data. Management actions to date and future actions are listed below in the discussion section.

Discussion:

Pursuant to federal regulation WMATA is required to submit a semi-annual Uniform Report of DBE Awards or Commitments and Payment to the FTA. Based on the data collected for the FFY 2015 and 2016, there is an appearance WMATA did not meet its DBE participation goal of 22%. The Table provides an overview of the DBE attainment between FFY 2014 and FFY 2017.

DBE/SBE TRENDLINE	FFY 2014	FFY 2015	FFY 2016	FFY 2017 OCT - MARCH	FFY 2017 APRIL - SEPT
DBE/SBE GOAL	25%	25%	22%	22%	22%
GOAL ATTAINMENT	33%	17.4%	11%	8%	18*

In FFY 2015, WMATA appears to have attained 17.4% of the goal and 11% in FFY 2016. During the first six months of FFY 2017, it appears WMATA only achieved 8% of the established goal. We discovered the data provided on these reports was incomplete. The numbers did not include all contracts awarded to DBE prime and subcontractors during the relevant periods. WMATA is conducting an in-depth review of the prompt payment data to verify its accuracy. With regard to the current reporting period, our preliminary review indicates an 18% DBE attainment for April through September 2017. This figure may increase with the inclusion of all of the awards made to DBE sub-contractors.

DBE Awards and Payment Tracking - Prompt Payment Tool

WMATA has developed and implemented an automated prompt payment tool in the PeopleSoft Financial Management System to monitor awards and payments to all primes and subcontractors, working on Federal contracts. Using this tool, the prime and sub-contractors will now be able to enter the amount and date of all payments received through the automated supplier portal. We have completed training for WMATA's staff, and anticipate completing training for prime and sub-contractors by March 31, 2018. The prompt payment tool will now allow WMATA to track and collect the data required to submit timely reports to the FTA and WMATA's Board.

With regard to DBE program improvement, based on recommendations from the OIG, FTA, and MARC, WMATA has developed a corrective action plan, which is currently underway, to improve program administration and oversight. We have developed new position descriptions consistent with the requirements of the program and are in the process of hiring additional staff; have drafted standard operating procedures for all aspects of the program; and performance goals and metrics to ensure greater internal control and overall performance. The following addresses the progress of the corrective actions and whether it will meet the targeted completion date.

1) Prompt Payment Tool - Completed

**2) Data Input
Scheduled Completion February 16, 2018**

- Prime contract and sub-contractor information for contracts awarded from October 1, 2016 through September 30, 2017 is being uploaded into PeopleSoft by the Office of Procurement and Materials (PRMT).
- Three procurement staff, four contractor staff and one Small Business Programs Office staff have received training on how to upload the names of the subcontractors, the contract number, DBE goal percentage, DBE award amounts and amounts invoiced during this timeframe.
- The Small Business Performance Analyst started January 22, 2018, has received training and is monitoring the uploading of the prompt payment information into PeopleSoft. The Performance Analyst will be responsible for overseeing and monitoring the input of this information in PeopleSoft; prepare monthly reports on prompt payment invoiced; and to generate the semi-annual FTA New Awards Report.
- It is anticipated that the first phase, uploading subcontractor information, will be completed February 1, 2018. The second phase, loading prompt payment data, will be completed by February 16, 2018. A complete report analysis is expected to be completed by February 28, 2018.

**3) Train Contractors on Prompt Payment
Scheduled Completion March 31, 2018**

- PRMT has prepared a training course, scheduled to begin February 2018. All Prime and Subcontractors will be notified of the mandatory training.
- Language will be added to the contracts with DBE goals of this reporting requirement and the training offered to both the Prime contractor and the DBE subcontractor.

4) Hire New Full-time Staff/Contractors
Scheduled Completion March 31, 2018

- Effective January 2, 2018, there are now four full time contractors on-board. They have received training on the Small Business Enterprise 49 CFR Part 26 and are uploading prompt payment information. After this information is uploaded, they will be assigned to review contract compliance and the required reporting documentation.
- The Performance Analyst reported for duty on January 22, 2018. It is the responsibility of the Performance Analyst to oversee and monitor the input of prompt payment information into PeopleSoft; prepare monthly reports on prompt payments invoiced; and generate the semi-annual FTA New Awards Report.
- The SBPO is currently conducting interviews for the Senior Small Business Auditors and Small Business Auditor positions. SBPO issued a vacancy announcement for the Small Business Analyst position.
- WMATA will meet the targeted date.

5) Outreach Plan
Scheduled Completion April 30, 2018

WMATA is in the process of developing the communication plan. A contractor, PMCA, has been hired to assist with drafting the plan. WMATA has implemented the following to ensure communication in the interim with internal and external customers.

- A DBE Hotline has been created to respond to questions from the applicants applying for certification. There is a 24 hour response time.
- All of the FFY 17 applications have been completed.
- SBPO attends every pre-bid conference to explain the application process and give assistance to the vendors present.
- A training course has been developed on using the Prompt Payment tool for uploading of contractor information into PeopleSoft.
- A listing of business conferences to be held in the District of Columbia is being developed for WMATA to attend to encourage vendors to apply for DBE certification.
- Discussions have been held with the District Department of Transportation (DDOT) concerning the development of the Unified Directory with WMATA.

6) Revise Memorandum of Understanding (MOU) and
Standard Operating Procedures (SOPs) with District Department of
Transportation (DDOT)
Scheduled Completion May 31, 2018

WMATA held a meeting with DDOT on January 19, 2018 to review the MOU.

- Because DDOT is not fully automated, it will continue with the paper application process. Each certifying partner will certify only those firms located in the District of Columbia. Firms in the transit zone (Prince Georges County, Montgomery Country, Arlington, Alexandria and Louden County) must be certified in their home

states of Maryland and Virginia before seeking certification with the DCUCP. This will lessen the number of certifications to be processed.

- Both DDOT and WMATA will process and approve applications for firms in the District of Columbia.
- The DCUCP oversight committee must approve all certificate application denial, suspension and de-certification of firms.
- DDOT will send any additional comments on the MOU to WMATA by February 3, 2018. These changes if any will be vetted through Counsel.
- The MOU is on track to being finalized.
- Counsel is reviewing the SOP for the District of Columbia Unified Certification Program (DCUCP).

7) Internal SOPs/DBE Staff Handbook/User Manual Scheduled Completion July 31, 2018

WMATA received the initial drafts for 26 SOPs. Comments were returned to the contractor for additional substantive changes. SBPO determined several of the SOPS should be combined. The SOPs will be compiled into a Handbook/User Manual.

- The SOPs are divided into three areas: the certification process, goal setting, and compliance. This follows the process established in 49 CFR Part 26 which further explains and interprets compliance requirements. For example: to review a Personal Net Worth Statement; or when to use FTA's DBE de-certification database.
- A second review of the SOPs will be completed by SBPO prior to Counsel review for legal sufficiency.
- All SOPs and the Handbook/User Manual will be completed by the scheduled date.

FUNDING IMPACT:

Define current or potential funding impact, including source of reimbursable funds.	
Project Manager:	Tonyon Moore
Project Department/Office:	IBOP/PRMT

Informational update - no budget impact

TIMELINE:

Previous Actions	October 2017 - DBE program update to Board Administration Committee
	December 2017 - Implementation of the Prompt Payment tool for vendor payment
Anticipated actions after presentation	March 2018 - Completion of Standard Operating Procedures

RECOMMENDATION:

Continue with implementation of DBE program and provide regular updates to the Business Oversight Committee.



Small Business Program Office Update

Business Oversight Committee

February 8, 2018



Purpose

Provide the Committee with requested monthly progress report on:

- Disadvantaged Business Enterprise (DBE) goal attainment of 22%
- DBE program improvement plan and staffing



DBE Program Improvement Update

	Timeline	Description
1. Prompt Payment Tool (PPT) Development	Completed	<ul style="list-style-type: none">▪ Developed and implemented system
2. Data Upload	02/16/18 02/28/18	<ul style="list-style-type: none">▪ Phase One - Upload data for Primes and Subcontractors▪ Phase Two - Prompt payment data uploaded▪ Phase Three - Report analysis
3. Training	03/31/18	<ul style="list-style-type: none">▪ PPT Training developed for Primes and Subcontractors▪ Mandatory training begins for all contractors
4. Hire Staff and Contractors	03/31/18	<ul style="list-style-type: none">▪ Four full-time contractors on-board 01/02/18▪ One Performance Analyst on-board 01/22/18▪ Interviews underway for five positions

DBE Program Improvement Update

	Timeline	Description
5. Outreach Plan	04/30/18	<ul style="list-style-type: none"> ▪ Consultant has been hired to draft plan; currently in development
6. Memorandum of Understanding (MOU)	05/31/18	<ul style="list-style-type: none"> ▪ Reviewed MOU with DDOT; vetted through WMATA General Counsel ▪ DDOT and WMATA will process and approve applications for DC firms
7. Standard Operating Procedures (SOPs)	07/31/18	<ul style="list-style-type: none"> ▪ Departmental SOPs drafted and currently in review ▪ SOPs cover three key areas: certification process, goal setting and compliance



DBE Program Improvement Summary

Program Improvement Action	Scheduled Completion Date	Status
1. Prompt Payment System Tool	Completed	Completed
2. Data Input Into Automated System	February 16, 2018	Phase I Completed /Phase II Underway – On Track
3. Train contractors on prompt payment tool	March 31, 2018	System Changes Completed - On Track
4. Hire new full-time staff/contractors	March 31, 2018	Interviews Underway On Track
5. Outreach Plan	April 30, 2018	In Development On Track
6. Revise MOU/develop SOPs with DDOT (MWUCP)	May 31, 2018	In Development On Track
7. Internal SOPs/DBE Staff Handbook/User Manual	July 31, 2018	In Development On Track